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Letter dated 27 January 2004 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

I write with reference to my letter of 9 October 2003 (S/2003/1006). The Counter-Terrorism Committee has received the attached fourth report from Cyprus submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex). I would be grateful if you could arrange for the present letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Inocencio F. **Arias**
Chairman
Security Council Committee established pursuant to
resolution 1373 (2001) concerning counter-terrorism

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Annex

Letter dated 22 January 2004 from the Permanent Representative of Cyprus to the United Nations addressed to the Chairman of the Counter-Terrorism Committee

In reference to your letter dated 3 October 2003, I have the honour to enclose the report of the Republic of Cyprus submitted pursuant to resolution 1373 (2001) (see enclosure).

(*Signed*) Andreas **Mavroyiannis**
Ambassador
Permanent Representative

Enclosure

SUPPLEMENTARY REPORT OF THE REPUBLIC OF CYPRUS TO THE COUNTER-TERRORISM COMMITTEE (CTC) ESTABLISHED PURSUANT TO THE SECURITY COUNCIL RESOLUTION 1373 (2001) CONCERNING COUNTER TERRORISM IN REPLY TO THE LETTER DATED 3 OCTOBER 2003 FROM THE CHAIRMAN OF THE CTC

1. Implementation Measures

Effectiveness of the protection of the financial system

1.1 Sub-paragraph 1 (a) requires all States to prevent and suppress the financing of terrorist acts. The CTC would be pleased to know whether the Coordinating Unit to combat terrorism mentioned at page 11 of the first report of Cyprus has become functional. In addition to its functions described at page 25 of the second report of Cyprus, please describe its role in coordinating the activities of the Central Bank and other financial supervisory authorities, the Customs, the Police and other organizations engaged in the prevention of the financing of terrorism. In which way do the five controlling agencies (Central Bank, Cyprus Security Exchange Commission, Superintendent of Insurance in the Ministry of Finance, the Commissioner for Co-operative Development in the Ministry of Trade, Industry and Development, and the Finance Intelligence Unit – MOKAS – under the Attorney General) coordinate their tasks and organize their information exchange.

The Coordinating Body Against Terrorism which was set up with a decision of the Council of Ministers became functional soon after its establishment, in October 2001.

It should be clarified that apart from the Financial Intelligence Unit (MOKAS) the other agencies mentioned above are not represented to this Body.

They have an important role in the area of anti-money laundering measures and they participate to a similar Body named "Advisory Authority Against Money Laundering" which is provided by the "Prevention and Suppression of Money Laundering Activities Law".

Since with the provisions of the Ratification Law of the UN Convention for the Suppression of the Financing of Terrorism, the Anti-Money Laundering Law directly applies in the area of the Financing of Terrorism, the co-operation and co-ordination between aforementioned Agencies covers this area as well.

1.2 Sub-paragraphs 1 (b) and 1 (d) require States to criminalize the financing of terrorism, the collection of funds for terrorist purposes and the provision of funds and other resources by individuals and entities to terrorists directly or indirectly. The first report of Cyprus states at page 4 that the law ratifying the UN Convention for the suppression of the Financing of Terrorism has established them as criminal offences. Article 7 of the Ratification Law included in the annex to the second report of Cyprus excludes its citizens from the operation of the law. The sections of the Criminal Code in the annex do not contain any provisions to penalize citizens of Cyprus who finance terrorism, the same manner as provided under article 4 (1) of the ratifying law. Therefore, CTC would be grateful to have a clarification on this matter. The CTC would be pleased to be provided with a copy of the legislative provision that criminalizes the financing of terrorism by the citizens and entities of Cyprus for the commission of terrorist acts either inside or outside the territory of Cyprus.

This loophole has been already identified and a relevant bill has been prepared which will be submitted before the Council of Ministers for approval and then before the Parliament for enactment. The purpose of the amending bill is to delete article 9 of the Law ratifying the UN Convention for the Suppression of the Financing of Terrorism. However, in such cases, article 58 of the Criminal Code can be applied to Cypriot citizens and entities in Cyprus, which provides as follows: ***"Any person who gives or pays contributions, subscriptions or donations and any person who solicits contributions or subscriptions or donations for or on account of any unlawful association is guilty of a misdemeanour and is liable to imprisonment for one year."***

1.3 Cyprus states in its supplementary report (at page 23) that the Central Bank of the Republic of Cyprus requested the Cyprus Bar Association as well as the Institute of Public Accountants of Cyprus "to inquire with their members whether they had ever provided any services to persons or entities associated with Osama Bin Laden and any of the persons included in the list circulated to banks". In this regard the CTC would appreciate providing with Cypriot legal provisions, which oblige professionals (such as for example lawyers, accountants and notaries, when engages in brokering activities) to identify their clients and report suspicious transactions related to terrorism to the MOKAS or other relevant authorities. In particular, please outline penalties for non-compliance with those obligations.

Section 27 of the Prevention and Suppression of Money Laundering Activities Law of 1996 imposes an obligation on any person, including lawyers and accountants, that acquire knowledge or suspicion that another person is engaged in money laundering including terrorist financing as defined by Section 4 of the Law to report that knowledge or suspicion to the Unit for Combating Money Laundering. By virtue of an Amending Law enacted in July 2003, Cyprus aligned its anti-money laundering legislation with the Second European Union Money Laundering Directive of December 2001. As a result of the Amending Law, auditors, external accountants and tax advisors, as well as lawyers when participating in the planning or execution of certain transactions for or on behalf of their clients, are obliged to apply the preventive measures stipulated in Section 58 of the principal Law of 1996. These measures comprise customer identification, record keeping and internal control procedures, appointment of Money Laundering Compliance Officers and training for employees. According to Section 58 of the Law, as amended in July 2003, failure by a lawyer or auditor to comply with the provisions of the Law should be referred to the Disciplinary Body of their competent supervisory authorities which decides accordingly. It is noted that, by a decision of the Council of Ministers dated 7 March 2001, the Cyprus Bar Association and the Cyprus Institute of Certified Public Accountants have been appointed as supervisory authorities for lawyers and accountants respectively.

1.4 In regard to sub-paragraph 1 (c), the reply given at page 4 of the second report in conjunction with section 14 of the Money Laundering Law of Cyprus, does not sufficiently clarify that a request for the freezing of resources linked to terrorism, held in Cyprus, by a non resident individual or entity, could be subject to freezing by the relevant authorities in Cyprus. Could Cyprus please provided the CTC with an outline of the legislative provisions which clearly empower the relevant authorities in Cyprus to freeze funds etc. linked to terrorism, held by persons and entities either resident or non-resident, on the request of other States.

The relevant article of the Prevention and Suppression of Money Laundering Activities Law (Law No. 61 (I)/1996 as amended), covering such instances is article 32 dealing with the freezing of assets of persons (physical and corporate Bodies) who are outside the jurisdiction.

The said article is the following:

32.-(1) Subject to the provisions of subsection (2) and upon the application of the Attorney General, a Court may make an order for the freezing of property of a suspect who is outside the jurisdiction of the Republic or has died.

(2) The court shall make a freezing order under subsection (1), if satisfied by affidavit or other evidence that -

(a) there is prima facie evidence against the suspect for the commission of a prescribed offence; and

(b) the property of the suspect may be converted or transferred or removed outside the jurisdiction of the Republic for the purpose of concealing or disguising its illicit origin.

(3) The freezing order shall have effect for six months but the court may extend its validity for up to a period of one year if reasonable grounds concur.

Furthermore, a foreign competent authority may sent a relevant request for the registration of a Court Order, for the freezing of asset+s issued in the foreign jurisdiction and in such a case sections 38-43 of aforementioned Law are applied.

It is important to note that the foreign Court Order for the freezing of assets kept in Cyprus, has with its registration, the same effect and is enforceable as if the order had been made or issued by a competent court of the Republic of Cyprus under the same Law.

1.5 The CTC notes from the first report (at page 4) that the Attorney General submits to the Council of Ministers all lists of persons or organisations linked with terrorist activities issued by Security Council Resolutions or by any other Authority. In this regard the CTC would appreciate if Cyprus could indicate whether it has the authority to freeze the assets of terrorist and terrorism organizations which are not on the list drawn up in accordance with the provisions of Security Council Resolution 1267 (1999). Please outline any legal provisions and procedures in force in Cyprus to proscribe foreign terrorist organisations. How long does it take to proscribe a terrorist organization at the request of another State?

The Cyprus Authorities and in particular the Unit for Combating Money Laundering has the power, according to the relevant legislation to freeze any assets related to terrorism irrespective of the aforementioned lists.

Furthermore, the competent Authorities proceed with the necessary enquiries for the purpose of freezing assets, in relation to the lists of individuals and entities issued by the European Union.

1.6 In regard to the implementation of sub-paragraphs 1 (a) and (c) of the Resolution as well as Article 8 of the International Convention for the Suppression of the Financing of Terrorism, the CTC would be grateful if Cyprus could outline its principal legal procedures concerning the confiscation of assets or the operation of other deprivation mechanisms, with particular regard to related to terrorist activities assets of legal origin.

The Prevention and Suppression of Money Laundering Activities Law, Law No. 61(I)/1996, contains provisions for the confiscation of assets, proceeds of crime, which can also be applied in cases of assets related to terrorist activities, irrespective of their legal or illegal origin. According to these provisions, where the court, after the conduct of an inquiry determines that the accused has acquired proceeds, it shall, before sentencing him for the offence for which he has been convicted-

(a) make a confiscation order for the recovery of the amount of proceeds in accordance with the relevant section of this law;

(b) make an order for the confiscation of instrumentalities.

For the purposes of this law, all payments which have been made to the accused or any other person at any time in connection with the commission of a predicate offence are deemed to be proceeds of the accused from the commission of a predicate offence irrespective of whether this has been committed by the accused himself; the value of the proceeds acquired from the commission of a predicate offence is the aggregate value of payments made to the accused or the product of the predicate offence.

The Court, for the purpose of assessing the value of the assets to be confiscated, may assume, unless the contrary is proved, that-

(a) any property acquired by the accused after committing the said offence or transferred into his name at any time during the last six years prior to the commencement of criminal proceedings against him, was acquired in the form of payment or reward connected with the commission of the offence;

(b) any expenditure incurred by the accused during the above period was met out of payments or rewards made to him in connection with the offence.

1.7 Could Cyprus please inform the CTC as to how coordination is established between the various investigating units and the agency which oversees the implementation of the Charities Law Cap. 41 to ensure that the resources of charities are not diverted to purposes connected to terrorist acts? To what extent do companies, established on the basis of the Companies Acts, enjoy the same privileges as charities, established on the basis of the Charities Law (Cap. 41, paragraph 20), in particular as regards the rules concerning the supervision and exchange of information?

If in the course of the auditing and supervision of the charitable organisations according to the relevant Law, a suspicion arises in relation to the use of the funds or other economic resources of the Charity, the Authority in charge reports the issue to Law Enforcement Authorities which cooperate with each other, based on their respective powers.

1.8 With regard to the implementation of paragraph 1 of the Resolution could Cyprus please provide information on:

a) The number of suspicious transaction reports filed with its Financial Intelligence Unit (MO.K.A.S) in the years 2001 and 2002;

2001		2002	
Bank Reports	47	**Bank Reports**	69
Police Reports	10	**Police Reports**	10
Reports from Customs and Excise Department	3	Reports from Customs and Excise Department	4
Others	20	Others	14
Rogatory Letters	23	Rogatory Letters	9
Requests for Information from foreign FIUs	93	Requests for Information from foreign FIUs	119
Reports from Interpol or other foreign Police Authorities	5	Reports from Interpol or other foreign Police Authorities	2
Reports from Supervisory Authorities	0	Reports from Supervisory Authorities	2
TOTAL	**201**	**TOTAL**	**229**

b) The number of cases investigated;

All cases are investigated.

c) The number of cases that were prosecuted.

Three cases were prosecuted.

1.9 In relation to money laundering and the financing of terrorism, could Cyprus provide an outline of any special strategy which it may have developed with a view to enabling its investigation agencies to effectively prevent resources from being transferred to terrorists? (To prevent for example under-invoicing of exports and the over-invoicing for imports, manipulation of real estate transactions and insurance).

All Institutions and Authorities are obliged to apply the preventive measures prescribed in the anti-money laundering legislation and the relevant Supervisory Authorities as well as other Public Authorities supervise the implementation of the Law.

Effectiveness of counter-terrorism machinery

1.10 Effective implementation of 1373-related legislation covering all aspects of the Resolution requires States to have in place effective and coordinated executive machinery as well as to create and utilize adequate national and international antiterrorist strategies. In this context does Cyprus's counter-terrorism strategy and/or policy targeting (at national and/or sub-national level) deal with the following forms or aspects of counter terrorist activity;

- ***Criminal investigation and prosecution;***
- ***Counter-terrorist intelligence (human and technical);***
- ***Special forces operation;***
- ***Physical protection of potential terrorist targets;***
- ***Strategic analysis and forecasting of emerging threats;***

- ***Border and immigration control, control preventing the trafficking in drugs, arms, biological and chemical weapons, their precursors and the illicit use of radioactive materials.***

If possible, could Cyprus please outline the legal provisions and other administrative procedures as well as the best practices in this regard?

According to the Police Law (CAP 285) Criminal Investigation is carried out by the Cyprus Police (Criminal Investigation Department) which cooperates with:

- The Office for Combating Terrorism
- The Central Information Service
- The Financial Crime Unit
- The Aliens and Immigration Unit
- The Unit for Combating Terrorism

Prosecution of such offences can be carried out by the Attorney's General Office.

According to the Police Law it is the duty of every member of the Police to collect and communicate such intelligence. However, the collection of Counter-terrorist Intelligence is the main duty of the Office for Combating Terrorism and of the Central Information Service.

Special Forces operations are conducted by the Special Antiterrorist Squad (S.A.S.), which is under the Police Mobile Immediate Action Unit (M.I.A.U.).

Physical protection of potential terrorist targets is the responsibility of the Cyprus Police, which takes all necessary measures for the prevention of any terrorist act. Those measures vary according to the level of the threat and information received.

Strategic analysis and forecasting of emerging threats is done by a high-level police co-ordination body which is composed by the Chief of Cyprus Police, the Assistant Chief of Police (Operations) as well as all the Divisional and Unit Police Commanders.

Border and Immigration Control preventing the trafficking in drugs, arms, biological and chemical weapons, their precursors and the illicit use of radioactive materials is succeeded through the following measures:

- Security Control at the entry and exit points of the Republic of Cyprus.
- Guarding/patrolling and continuous surveillance of possible targets.
- Strict passport scrutiny of arriving and departing passengers.
- Increased screening of luggage.
- 100% screening of all hold luggage.
- Additional checks of passengers and hand luggage at departure gates.
- Patrolling and surveillance of the coastal areas of Cyprus, by air and sea, for the purpose of preventing the unlawful entry of terrorists into the country.
- Checking/surveillance of suspected illegal immigrants.
- Close cooperation with other relevant organizations and services.

Moreover, according to the Customs and Excise legislation in force, "any goods, substances or materials, including nuclear materials or substances, that are imported, landed, unloaded or are in the course of transit, contrary to any prohibition or restriction for the time being in force with respect thereto under or by virtue of any enactment of convention which binds the Republic of Cyprus, shall be liable to forfeiture." The provision for the confiscation of goods applies also to goods exported contrary to any restriction or prohibition in force.

Import and export controls as regards prohibitions and restrictions in force, including weapons, have been bolstered since the terrorist attack of the September 11 by:

- Controlling all export or transiting/tran-shipped cargo through the portal monitors (advanced detection X-ray pillars), as well as through scrutiny of relevant documentation submitted to Customs and the use of risk analysis methods, in order to prevent the illicit trafficking of weapons that cannot be detected by the portal monitors and other high technology equipment available. The aforementioned monitors are comprised of two large upright pillar sensors that detect the presence of radioactive materials and are permanently mounted to allow truck and cargo container traffic to pass between them.

1.11 In the context of the effective implementation of sub-paragraph 2 (e), please indicate which special investigative techniques can be used in Cyprus in cases of terrorism (e.g. interception of communications; Electronic surveillance; observation; undercover operations; controlled delivery; "pseudo-purchases" or other "pseudo-offences"; anonymous informants; cross-border pursuits; electronic surveillance of private or public premises, etc...). Please explain the legal conditions which govern their use. Please specify whether these special investigative techniques may only be applied to

suspects and whether their use must first be sanctioned by a court. Please also specify the period of time for which they may be used. Could Cyprus also indicate whether these special investigative techniques can be used in cooperation with another State?

- Interception of telecommunication or telephone tapping is not permitted in Cyprus, according to the Cyprus constitution except only in very restricted circumstances, provided by Article 17 and the law providing for the Protection of the Secrecy of Private Communications (Interception of Communications) Law 92(1)/96. The interception refers only to cases of convicted prisoners and / or accused persons held in custody pending trial or where communication is conducted by unlawful means. Such interception may take place after a court order.

- The use of electronic equipment for pre-trial (and trial) information is permitted only in certain cases and only to the extend that this is not contrary to the Evidence Law (Cap. 9) and more specifically to the common law rooted *hearsay rule*, which is in use in Cyprus. Thus, pictures, videos and other information taken by electronic equipment can only be used for (pre) trial purposes only as long as the operator of such equipment can affirm that he or she was the one who was operating the equipment during the production of the informative material under examination, that the equipment was properly working during the production of the aforementioned material and that the person who appears on the informative material is recognized to be identical to the person who is the suspect in the case under examination. However, concerning the cameras which are used in the banks, the situation is different: due to the fact that these cameras are working automatically without the assistance of an operator, the material which is produced by their operation, that is the material which is on the camera tape, can be accepted as evidential material, without the need of any affirmation, as long as it is proved that the camera was properly working during the commitment of the crime under examination.

- The Law 3(I)/1995 provides for the controlled delivery of weapons, e.t.c. and it gives the authority, under certain circumstances to the Chief of Police, the Director of the Customs and Excise Department and the Attorney General to apply such a method.

- Undercover operations can be carried out but in no case members of the police can act as agent provocateur.

- Pseudo purchases can be carried out, however there is no legislation enacted regarding this issue.

- There is no legislation governing the issue of electronic surveillance of private or public premises.

- The period of time for which SITs can be used depends on the circumstances of each individual case.

- Having received a request for a special investigation technique from another state, Cyprus Police evaluates such a request. In case it is approved, the technique is applied by the Cyprus Police in close cooperation with the requesting state.

1.12 With reference to sub-paragraph 2 (b) the CTC would welcome information for the years 2001 and 2002 on:

1) The number of arrests of terrorists and of their supporters;

2) The value of funds, and assets frozen by Cyprus relating to individuals and entities notified as terrorists or terrorist groups;

1) No arrests have been made for the years 2001 and 2002.

2) No assets were identified in Cyprus for the same years.

1.13 Could Cyprus let the CTC know whether it has enacted laws relating to cyber-crimes with a view to preventing the use of the Internet by terrorists for terrorist acts?

Cyprus has signed the CyberCrime Convention of the Council of Europe and the relevant Ratification Law is under preparation.

1.14 The CTC would be content to have a progress report and an outline of the provisions of the laws, which were under enactment as stated by Cyprus at page 16 in its first report, providing for punishment under the various offences of the International Instruments related to the Prevention and Suppression of International Terrorism.

The Protocol for the Suppression of Unlawful acts of Violence at Airports Serving International Civil Aviation and the Convention on the Marking of Plastic Explosives for the Purposes of Detection have been ratified.

The penalty for the offences prescribed in the Convention of Offences and Certain other Acts committed on Board Aircraft and the Convention for the Suppression of Unlawful Seizure of Aircraft is life imprisonment.

Effectiveness of customs, immigration and border controls

1.15 Sub-paragraph 2 (b) requires States to take the necessary measures to prevent the commission of terrorist acts. In that regard, could Cyprus please explain how it determines the beneficial ownerships of ships registered under it, as a "Flag State", and how it compares its lists of known or suspected terrorists with the names of the beneficial owners of these vessels with a view to detecting terrorist involvement?

In order to correctly answer the question in point 1.15 above the following observations are made:

(1) The best method of achieving the objective in sub-paragraph 2(b) of Resolution 1373(2001) of the Security Council appears to be the approach which focuses on practical information which can be used to identify the person who has effective operational control of the ship and which might be made available to a port State prior to port entry.

(2) All information which is required to be documented under the ISM Code, either as company responsibility or through the Document of Compliance process, is pertinent since it involves identification of the person responsible for the operation of the ship.

Consequently the model for determining ownership and control can be found in the definition of the term "company" in paragraph 1.1.2 of the ISM Code. This states that:

" Company means the owner of the ship or any other organisation or person such as the manager, or the bareboat charterer, who has assumed the responsibility for operation of the ship from the shipowner and who on assuming such responsibility has agreed to take over all the duties and responsibilities imposed by the ISM Code".

Also paragraph 3.1 of the ISM Code requires the owner to report details to the flag State if the entity who is responsible for the operation of the ship is someone other than the owner.

(3) With respect to the registration of a shipping company the Central Bank of Cyprus has the authority under the *Exchange Control Law, Cap 199* to grant exchange control permission ("thereafter referred to as "permit") to those foreign individuals or corporations which require a permit in order to subscribe to or hold shares in a

Cyprus registered company. Specifically, as part of the screening procedure for" the application for the registration of a new shipping company under the Exchange Control Law" information is submitted which concerns inter alia, the name of the applying shipping company, its registration number, its registered address, its main business activity, the details of its local professional advisers being either an advocate or an auditor in Cyprus. For processing such an application additional information is required with respect to:

A) Subscription to the Memorandum by and the issue of the original shares to:

1. (Resident) Subscribers and / or
2. (Non-Resident) Subscribers;

B) The transfer of shares from existing subscribers to:

1. (Resident) Nominees;
2. (Non-Resident) Beneficiaries;

C) The issue of additional shares to:

1. (Resident) Nominees;
2. (Non-Resident) Beneficiaries;

As from May 2004 (thereafter referred to as *"the new regime"*) The Exchange Control Law, Cap 199 will be abolished and replaced by *Law No.115 (I)/2003*. Under the new regime the Central Bank of Cyprus will step-out and the screening and issuance of permits will be conducted with regard to non-European investors, by another responsible body.

Presently, a transitional period exists, until the date of the new regime whereby all applications for the issuance of such permits are forwarded to the Registrar of Companies. The Central Bank of Cyprus, has retained control over existing registered shipping companies

(4) With regards to the registration of ships under the Cyprus flag *section 5 of the Merchant Shipping (Registration of Ships Sales and Mortgages) Law 45 of 1963, as amended*, provides that :

"A ship shall not be deemed to be a Cyprus ship unless more than one half of the shares of the ship are owned:

a) by a Cypriot;

b) by a corporation established and operating under and in accordance with the Law of the Republic and having its registered office in the Republic; or

c) *if specially authorised by a decision of the Council of Ministers, by a corporation incorporated outside the Republic in which the controlling interest is vested in Cypriots".*

In view of Cyprus accession with the European Union (EU) draft amendments to the abovementioned law have been prepared by the Department of Merchant Shipping (thereafter referred to as the "D.M.S."), whereby European citizens and companies registered in the EU will be eligible to own a Cyprus ship, and are currently at the legal vetting stage.

(5) As regards the procedure of registration of a ship under the Cypriot flag:

(i) An application is made in duplicate addressed to the D.M.S. supported, amongst others, by the following documents:

1) a true copy of the memorandum and articles of association of the ship-owning company;
2) a true copy of the certificate of incorporation of the ship-owning company;
3) a true copy of the certificate of registered office of the ship-owning company;
4) a true copy of the certificate of directors and secretary of the ship-owning company;
5) a true copy of the shareholders certificate of the ship-owning company;
6) A declaration of ownership and appointment of managing owner or ship's husband signed and certified;

It must be noted that with respect to documents under numbering (1), (2), (3), (4) and (5) referred to above they are issued by the Registrar of Companies.

The D.M.S. has no authority and / or jurisdiction over these, save as to accept them as part of the required documentation for the procedure of registration under the Cyprus flag.

(ii) As soon as the registration is completed the Registrar of Cyprus Ships will enter in the Register of Ships the following particulars:

- The name of the ship and the name of the port to which it belongs
- The particulars regarding the ship's owner as stated in the declaration of ownership, and

- The name and description of the ships registered owner *(section 12 of Law 45 of 1963, as amended)*

(6) It follows from the above observations that Cyprus as a Flag State looks upon the registered owner of the ship, the person who has effective operational control of the ship, as well as the shareholders of the registered owner of the ship.

The D.M.S accepts documentation from both the Registrar of Companies and the Central Bank of Cyprus as part of the ships registration procedure.

It does conduct a checking of known and / or suspected terrorists as shown on the list contained in Resolution 1371(2001) with the names of the shareholders and the directors of the ship owning companies as well as with the operators with a view to detecting terrorist involvement.

1.16 The CTC would be glad to have an outline of the legal basis and the procedure, if any, established by Cyprus, for supplying advance cargo and passenger information to the appropriate authorities in Cyprus and other relevant States to screen for prohibited cargo and passengers with terrorist links.

The Republic of Cyprus has not as yet applied the procedure to supply to other competent authorities advance passenger information. However the Republic of Cyprus upon its accession to the EU, will apply the relevant acquis communautaire.

Moreover a special Anti Smuggling Team is in place in Limassol port in order to screen and trace illicit movement of sensitive goods (nuclear, wmd, chemicals, etc) and whenever it is deemed necessary, related information may be conveyed to other foreign law enforcement agencies.

1.17 When will the computerization of customs controls concerning the import and export of goods, which has been initiated in view of Cyprus' accession to the EU, be operational?

The import module of the computerized system of the Cyprus Department of Customs and Excise is in operation since August 2003. More than 70% of the entities lodged to Customs are treated electronically through risk analysis parameters fed into the system. The export module is scheduled to be in operation by the first quarter of year 2004.

1.18. Could Cyprus please provide the CTC with an outline of the legislative provisions which grant citizenship rights to foreigners? What precautions are taken to establish the true identity of the persons before new identity papers are issued to those who seek Cypriot citizenship?

(a) Acquisition of citizenship by Naturalization

Alien persons of full age and capacity, who were legally residing in the Republic of Cyprus at least during the seven preceding years and accumulated a total of at least seven years of residence in the Republic, out of which the one year prior to the date of application was of continuous residence are entitled to apply for the Cyprus citizenship. A birth certificate, a copy of their passport, a good character certificate issued by the police, two photographs and the publication in a Cypriot newspaper for two consecutive days of their intention to apply of naturalization, are required.

(b) Acquisition of citizenship due to the marriage to a citizen of the Republic of Cyprus

The Minister of Interior may on application register as a citizen of the Republic of Cyprus an alien person of full age and capacity who satisfied him that is the wedded spouse of a citizen of the Republic of Cyprus and lives with his/her spouse of a period of three years. Provided that the provisions of this section shall not apply where the alien entered or stays illegally in Cyprus. A marriage certificate, a certificate of cohabitation of the two spouses, a birth certificate of the applicant, a good character certificate issued by police and particulars of the Cypriot spouse are required.

Effectiveness of controls preventing access to weapons by terrorists

1.19 In addition to the measures mentioned at page 9 of the first report of Cyprus, the CTC would be glad to know whether Cyprus has taken any other steps to manage the security of the supply chain as provided for under the General Annex to the revised WCO Kyoto Convention and in accordance with the "Customs Guidelines on Advance Cargo Information" (ACI-Guidelines).

The Republic of Cyprus will ratify the WCO Kyoto Convention by the first quarter of year 2004, as it was accepted by the European Community according to Decision 2003/231/EC of 17 March 2003. Upon the accession of the Republic of Cyprus in the EU, the relevant acquis communautaire will be applied.

1.20 For the effective implementation of sub-paragraph 2 (a), States are required to suppress recruitment to terrorist groups and to eliminate the supply of weapons to terrorists. The provisions of the Criminal Code of Cyprus quoted in its first report at page 9 do not clearly establish that it is an offence to recruit to terrorist groups operating either inside or outside the territory of Cyprus. The CTC would be grateful to know how what steps Cyprus proposed to take in this regard? As regards the elimination of the supply of weapons to terrorists the CTC is interested to know the steps which Cyprus proposed to take to ratify and implement the UN Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition.

In all legal ports (points of entry) of the Cyprus Republic, is established and operates a computerized check system (STOP-LIST CONTROL) through which all passengers are checked on arrival or on departure. One of the major contents in the STOP-LIST, are the available names and personal particulars of terrorism suspects. The names and other particulars of terrorists, which are contained in various lists (UN, European Union) are inserted in the stop lists.

All the particulars of involved persons are traced on the National Stop-List or Watch List Catalogue, which operate at all legal points of entry/exit in the Republic of Cyprus.

In this field, the competent authorities of the Republic have established a close cooperation with the relevant authorities with most countries worldwide.

With the aforementioned procedure, the entry into Cyprus for any purpose including recruitment of designated terrorists is suppressed.

Furthermore, a strict procedure is in place for granting working permission to foreigners.

The procedure for granting permit for employment to foreigners (to enter, stay and work in Cyprus) consists of the following steps, which have to be taken from both the employee and the employer.

- Fill in the appropriate form to obtain working permit (application form), from Aliens & Immigration Department.
- Bank guarantee.
- Approval of application documents and contract of employment, by the Ministry of Labour and Social Insurance.
- Copy of employees' passport.

- Certificate of a Clearance Criminal Record, granted by local police authorities of the country of the employee.
- Details of employees' previous passport.

All application documents with the relevant attachments are submitted to the Migration Department for the issuance of the working permit. Before that the particulars of the aliens are checked against Stop-List.

According to a decision of the Ministerial Committee, the Government of Cyprus does not accept application for employment regarding aliens staying in Cyprus as visitors or in case that they are found to be illegally in Cyprus.

Aliens staying in Cyprus with the status of Asylum Seeker, have the right to work in Cyprus according to national legislation and the relevant directive of the Refugee Authority. In such cases the background and other information concerning these people is checked and in the case of any connection with terrorism they can be deported from Cyprus.

The UN Protocol against the Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components and Ammunition has been ratified on 21.3.2003 with Ratification Law No. 11(III)2003.